

Entrepreneurship

Unit 3.1: KEY

Understanding Usefulness of the Business Plan

1. Purposes of Business Plan

- To plan and set objectives of business
- To convince others to invest in your business

2. To plan and set objectives of business, you must:

- A. **Organize and analyze critical data**
- B. **Describe products/services**
- C. **Identify customers and markets**
- D. **Determine if can meet financial goals**

3. Who might you convince to invest in your business?

Bankers, Investors, Partners, Potential Management

4. Common Components of a Business Plan

Business plans can be written as few as **10 pages** and up. The more **complex** the business, the longer the Business Plan should be.

5. Eight Common Components of a Business Plan

- 1. Goals and objectives of your company (a.k.a. **Mission Statement**)
- 2. **Company description** (Includes history and background of idea)
- 3. Market and competitive analysis
- 4. Products/Services you will offer (Includes **operational plan**)
- 5. Form of **ownership** and organizational plan
- 6. Management and staffing
- 7. **Marketing plan**
- 8. Current and **projected** financial statements

6. Available Sources for Business Plan Information

Chamber of Commerce
Small Business Development Centers
SCORE (Service Corps of Retired Executives)
SBA (Small Business Administration)
Trade Associations
Publications
Internet sites for small businesses and entrepreneurs
Professional Business Consultants
Other Government agencies (i.e., Division of Commerce)

7. Are Small Business Development Centers expensive?

Yes

No

8. S.C.O.R.E. stands for:

Service Corps of Retired Executives

9. The SBA also offers:

- **Financial** assistance
- Gives special assistance to **women, minorities**, and the physically challenged

10. Additional sources for information about business plans can be found in which of the following? *(Check all that apply)*

- | | |
|------------------------|------------------|
| ✓ Magazines | ✓ Articles |
| ✓ Business consultants | ✓ Books |
| ✓ Division of Commerce | ✓ Internet sites |